



Getting the Biggest Bang for Your Social Media Buck

By: Laura Patterson, President

When it comes to social media there are two sides to consider about your company others are leading and the conversations you are leading.

In terms of the former, everyday millions of people are using social media sites such as Twitter, Facebook and YouTube to socialize online. And it may be worthwhile to monitor and even participate in these conversations to find out whether the discussions are positive or negative, analyze your brand reputation and even analyze what's being said about your competition.

On the other side, as part of your marketing efforts you're tweeting, participating in LinkedIn discussions, and have a Facebook and MySpace page for the company. Maybe you even have a blog and/or your own community on a social network.

This new frontier is vast and dynamic. What should you measure regarding the conversations taking place around you and how can you assess whether the social media initiatives you are investing in are working?

First, a few definitions. Social marketing was "born" as a discipline in the 1970s. Philip Kotler & Gerald Zaltman, Kellogg School of Management, Northwestern University, in 1971, used the term to describe the application of commercial marketing principles to health, social and quality of life issues. Social marketing was defined as "seeking to influence social behaviors not to benefit the marketer, but to benefit the target audience and the general society." It leverages the value that consumers/customers have in sharing between themselves and with the brand/manufacturer. It delivers a two-way communication link between the consumer/customer and the brand.

While social marketing was originally developed from the desire companies had to capitalize on commercial marketing techniques, it has evolved into a more comprehensive discipline

encompassing viral videos, blogs and online reviews, among other things. That is what we today call Social media is about leveraging relationships and networks. Similar to any word of mouth efforts, you will want to measure the impact of these conversations on brand preference and reputation. But how can you measure the value of those efforts where you are taking the lead and using social media to help the company build its business?

Here's a key point to remember. Before you begin any social media initiative, have a clear goal in mind, preferably something that can be quantified and measured. Without a performance target, it is impossible to determine your ROI. It is possible to measure the impact of a social

media effort as long as you've determined the business outcome it supports and established performance-based objectives. For example, possible objectives could include increasing customer trial, improving brand advocacy/customer loyalty or increasing share of preference. Each of these objectives should be tied to a business outcome.

For example increasing customer trial or share of preference may be tied to business outcomes around new customer acquisition or accelerating the rate of customer acquisition in order to impact revenue and market share. The metrics you choose for your social media will be determined after you've established the business outcome that needs to be achieved and how the social media will support the corresponding marketing objective.

Just as with any communication channel you will want to have some way to create a measurement framework. One possible approach is to measure your social media similar to how you measure public relations using outputs, outcomes and business results as the basis of your framework. Why choose a framework similar to one used for PR? If you review the purpose of each you can see they are actually kissing cousins. Public relations is about attempting to favorably influence the impressions and attitudes of a target audience primarily through endorsements by trusted, credible, objective third parties. Social media isn't very far afield from this idea when you consider that social media is designed to impact engagement and affect influence through the participation and interaction of third-party networks and communities. They both rely on perceived trusted and credible third parties over which you have very little control.

How do you use the outputs, outcomes and business results framework? First let's define each category because each category measures something different:

1. Outputs – measures effectiveness and efficiency in terms of whether you received the expected level of return against the performance target, such as the desired number of positive reviews produced by community influencers or the number of responses to a LinkedIn discussion, or the number of people engaged in a blog discussion on a topic related to your category that includes positive mentions of your company and its product? You will only be able to assess the output if you have put a stake in the ground to measure against.
2. Outcomes - measures incremental changes, preferably behavioral, resulting from the program/campaign/activity. Some examples include the quantifiable change in the number of positive online reviews or blog discussions and external tweets by influencers for your company's recently launched new product or the incremental number of downloads for a demo or white paper as a result of communities recommending the document on various networks, or the incremental number of qualified leads as a result of network and/or community referrals.
3. Business results – measures how the program/campaign/activity helped the organization achieve a specific business objective. For example, improvements in the rate of adoption for your company's new product as shown by the incremental lift in sales for the product as specific result of working with influential bloggers.

The more quantitatively you can measure your social media the better. And it is even better the closer those measurements relate to your business outcomes. How rapidly people in the network engage with you and respond to your "call to action" by writing a review, participating in a blog discussion or forwarding something to a colleague can all be measured.

What you want to know is the incremental impact, if any, the social media are having. And if so, how much so you can assess return on investment. Remember to keep the business outcome in mind. For example, seeing an increased amount of people "trialing" your product in order to increase the number of qualified leads in the pipeline and ultimately an increase of "buyers". So even if the social media are producing a good return on its specific metric, if it isn't moving the needle on the business outcome, than you need to revisit your effort.

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